



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 6, 1996

AT
(202) 616-2771
TDD (202) 514-1888

**DELAWARE EXPLOSIVES COMPANY AGREES TO PLEAD GUILTY AND PAY
\$950,000 FOR RIGGING BIDS ON COMMERCIAL EXPLOSIVES CONTRACTS TO
ALASKA CUSTOMERS**

WASHINGTON, D.C. -- A Delaware explosives company today agreed to plead guilty and pay \$950,000 in criminal fines for rigging bids on commercial explosives contracts sold to customers in Alaska, the Department of Justice said.

This is the fifth case in the Department's ongoing antitrust investigation into price fixing and bid rigging in the commercial explosives industry. Thus far, the investigation has resulted in criminal fines of almost \$27 million.

The Department's Antitrust Division filed the one-count felony case in U.S. District Court in Dallas, against ETI Explosives Technologies International Inc., the fourth largest commercial explosives company in the United States with 1995 sales of about \$91 million in the U.S.

ETI Explosives of Wilmington, Delaware, was charged with conspiring from sometime in mid-1992, and continuing until at least late 1993, to restrain competition for commercial explosives sold to certain customers in Alaska.

The company and its co-conspirators carried out the conspiracy by meeting, discussing and agreeing to bid or quote prices at or above particular levels for the sale of commercial

explosives to certain customers in Alaska and by submitting bids or quotes pursuant to their agreement.

"These tough, tough penalties in the explosives industry--a record \$15 million, \$10 million, \$1.9 million and now today's fine--show that the Antitrust Division means business and will continue to vigorously pursue companies that engage in this type of criminal activity," said Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

The sale of commercial explosives, such as dynamite and ammonium nitrate mixed with fuel oil, or ANFO, is an approximately \$1 billion per year market in the United States. Mining, construction, and oil and gas industries are the primary users of large quantities of these explosives.

ETI Explosives agreed to cooperate in the government's ongoing investigation. The company's fine is subject to court approval.

The case against ETI Explosives resulted from a grand jury investigation being conducted by the Division's Litigation I Section with the assistance of the Federal Bureau of Investigation.

In August 1995, a Dallas explosives company, ICI Explosives USA Inc., pleaded guilty and paid a \$10 million criminal fine for conspiring to fix the prices of commercial explosives sold in western Kentucky, southern Indiana and southern Illinois. ICI is the world's largest commercial explosives manufacturer. Also, ICI's senior vice president of sales, Withers Waller Caldwell Jr., pleaded guilty and was fined \$50,000 for his part in the bid

rigging conspiracy involving the sale of commercial explosives to lead mines in Missouri and zinc mines in Tennessee arising from the same investigation.

In September 1995, DYN0 NOBEL INC. of Salt Lake City, pleaded guilty and paid a record \$15 million criminal fine for conspiring to fix the prices of commercial explosives sold in Kentucky, Illinois and Indiana, and for eliminating competition in the sale of explosives to three limestone quarries in central Texas. The \$15 million fine is the largest from a single defendant in a criminal antitrust case. DYN0 NOBEL is the world's second largest commercial explosives manufacturer. At the same time, Mine Equipment & Mill Supply Inc. of Dawson Springs, Kentucky, pleaded guilty to participating in the western Kentucky commercial explosives conspiracy and was fined \$1.9 million.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

###

96-093